



City of Covina

Compensation Rules

**Mid-Management, Supervisory and Professional,
and Confidential and Technical Employees**

Effective July 1, 2013

**Mid-Management, Supervisory and Professional, and Confidential and Technical
Employees Compensation Rules**

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Mid-Management, Supervisory and Professional, and Confidential and Technical Employees Compensation Rules

This document supersedes any prior resolution or action taken with respect to the classifications listed herein. These rules will remain in effect until such time as they are amended by the City Council or superseded by a higher governmental authority.

SECTION 1. SCOPE OF COVERAGE

Pursuant to Government Code Section 3507.5, "Designation of management and confidential employees," a public agency may adopt reasonable rules and regulations providing for designation of the management and confidential employees of the public agency and restricting such employees from representing any employee organization, which represents other employees of the public agency, on matters within the scope of representation.

SECTION 2. POSITION CLASSIFICATION SPECIFICATIONS

The City Manager shall have prepared for public record the classification specifications of all positions covered herein. He/she may authorize the modification of such position classification specifications as deemed necessary or otherwise appropriate to effect staff assignment or organizational changes.

Effective July 1, 2013, the at-will provision will be removed.

Mid-Management

- City Engineer
- Environmental Services Manager
- Human Resources Manager
- Information Technology Services Manager
- Parks and Recreation Manager
- Public Works Superintendent
- Risk Manager
- Senior Human Resources Analyst
- Senior Management Analyst

Supervisory and Professional

- Accountant
- Accounting Supervisor
- Assistant City Librarian
- Building Official
- City Planner
- Community Relations Supervisor
- Community Services Supervisor
- Equipment Maintenance Supervisor

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Human Resources Analyst
Information Technology Coordinator
Library Circulation Supervisor
Library Services Supervisor
Literacy Program Coordinator
Management Analyst
Management Analyst Trainee
Marketing Manager
Network Supervisor
Parks Maintenance Supervisor
Police Records Supervisor
Pool Manager
Principal Librarian
Public Safety Communications Supervisor
Public Works Superintendent
Recreation Services Supervisor
Senior Accountant
Senior Information Technology Coordinator
Senior Planner
Senior Services Supervisor
Street Maintenance Supervisor
Water Maintenance Supervisor
Water Services Supervisor

Confidential and Technical

Administrative Technician
Business License Technician
Deputy City Clerk
Executive Assistant to the City Manager
Executive Assistant to the Police Chief
Finance Technician
Payroll Technician
Senior Administrative Technician
Senior Deputy City Clerk
Senior Finance Technician

This policy states the full and complete, employment rights, retention rights, and severance rights of agency personnel. No other statement, written or oral, can modify the terms of this policy, except for a later formal resolution by the City Council enacted in open session.

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SECTION 3. AUTHORIZED SALARY RANGES & ADVANCEMENT

- A. Base Salary Ranges Refer to Exhibit A for the salary tables.
- B. Placement
1. New Hire
A newly hired person into a position classification covered by these rules shall be hired at Step A, unless otherwise authorized by the City Manager.
 2. Promotion
A current full-time regular employee of the City of Covina promoting from a Closed Promotional Certification List into a position classification covered by these rules shall receive placement within the pay steps range at the "A" step, unless such placement will not result in a base pay to base pay increase of at least five percent (5%). In such a case the employee will be placed in a pay step so as to allow for a five percent (5%) increase, except that the pay step placement limit of the "E" step is the maximum allowed and supersedes the five percent (5%) increase guidelines.

A current full-time regular employee of the City of Covina promoting into a position classification covered by these rules from an Open and Competitive certification list shall receive placement within the pay steps range at the "A" step, unless placement will not result in a base pay to base pay increase of at least five percent (5%) increase. Also, with City Manager approval, a higher placement within pay range is allowable under extraordinary circumstance. However, the pay step placement limit of the "E" step is the maximum allowed and supersedes the above increase guidelines.
 3. Demotion
If a person already subject to these rules is demoted to a different position classification of a lesser paid base monthly pay range, then that employee may be placed in any pay step of the newly assigned position classification as may be approved by the City Manager.
- C. PERS Contribution
1. On October 5, 2010, employees began contributing three percent (3%) of the eight percent (8%) PERS member contribution. Effective July 1, 2013, "classic" PERS employees will contribute an additional one percent (1%) to PERS for a total of four percent (4%). Effective July

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- 1, 2014, “classic” PERS employees will contribute an additional two percent (2%) to PERS for a total of six percent (6%). Effective July 1, 2015, “classic” PERS employees will contribute an additional two percent (2%) to PERS for a total of eight percent (8%). All employee contributions will be deposited in the employee member’s account.
2. Should the employer PERS rate meet or exceed 23% during the term of these Rules, any members of this group not paying into the employer PERS rate will contribute one percent (1%) to the employer PERS rate. As allowed by PERS law, the City will amend its contract with PERS to allow this contribution to be deposited in the employee member’s account.
3. Employees who are new PERS members, employees will contribute six and three quarter percent (6.75%) of the PERS employee contribution upon hire and five and one-quarter percent (5.25%) of the PERS employer contribution for a total of twelve percent (12%). For more information on the PERS retirement plan, see Section 14, Paragraph D (“Retirement”).

D. Cost of Living Adjustment

1. Effective July 1, 2013, employees of this group will receive a three percent (3%) cost of living adjustment.
2. Effective July 1, 2014, employees of this group will receive a two percent (2%) cost of living adjustment.
3. Effective July 1, 2015, employees of this group will receive a three percent (3%) cost of living adjustment.

- E. Salary Advancement** Unless otherwise authorized by the City Manager in writing, all employees covered by these provisions may advance through the base monthly pay steps, “A” through “E,” subject to the following:

| | | |
|----------|---|--|
| Pay Step | A | Upon initial employment |
| | B | Upon twelve (12) months of successful completion of paid service at Step “A” |
| | C | Upon twelve (12) months of successful completion of paid service at Step “B” |
| | D | Upon twelve (12) months of successful completion of paid service at Step “C” |
| | E | Upon twelve (12) months of successful completion of paid service at Step “D” |

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F. Accelerated Advancement The City Manager may authorize accelerated movement through the pay steps for exceptional performance.

G. Bilingual Pay Employee classifications appropriate to this unit will receive \$100.00 a month lump sum for possessing the ability to speak and understand a second language. The City in conjunction with a local high school, community college or other mutually agreed upon source(s) will develop and certify such employee(s) language abilities.

The City reserves the right, as the needs of the City dictate, to certify employees and also reserves the right to determine from what departments and classifications these employees are selected as best suits the City's service need.

H. Acting Pay When a full-time budgeted position becomes vacant as a result of either a permanent separation or the extended absence of an employee, an employee may be assigned to work in a higher position on an acting basis upon approval by the City Manager. When an employee has served in the acting position beyond ten (10) consecutive working days, the employee shall be paid at a minimum of five percent (5%) above his/her regular pay or at "A" step of the acting position, whichever is greater, retroactively to the first day served in the acting position.

The City reserves the right, as the needs of the City dictate, to certify employees and also reserves the right to determine from what departments and classifications these employees are selected as best suits the City's service need.

I. Longevity and Performance Step Increases Refer to Exhibit A for Longevity and Performance Step Increases (Steps F, G, and H).

| | | |
|--------------------|---|--|
| Longevity Pay Step | F | Upon twenty-four (24) months of successful completion of paid service at Step "E" and a "Meets Expectations," "Exceeds Expectations," or "Outstanding" rating on their current evaluation. |
| | G | Upon twenty-four (24) months of successful completion of paid service at Step "F" and an "Exceeds Expectations" or "Outstanding" rating on their current evaluation. |
| | H | Upon twenty-four (24) months of successful completion of paid service at Step "G" and an "Outstanding" rating on their current evaluation. |

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If an employee who has already achieved a Longevity and Performance Step Increase receives a “Needs Improvement” or “Unsatisfactory” rating on an evaluation they are automatically returned to the next lower pay step and are not eligible to return to their former step until successful completion of twelve (12) months of paid service and the required rating level for the appropriate step on their current evaluation.

J. Longevity Pay Effective July 1, 2001, the City of Covina implemented a longevity bonus for unaffiliated employees. Bonuses are paid to the employee on their anniversary date as service benchmarks are met.

| | |
|---------------------|--------|
| 10 years of service | \$1000 |
| 15 years of service | \$1500 |
| 20 years of service | \$2000 |
| 25 years of service | \$2500 |
| 30 years of service | \$3000 |
| 35 years of service | \$3500 |

SECTION 4. DISCIPLINARY ACTION

The City will abide by Rule XV of the Personnel Rules (Grounds for Discharge, Suspension or Reduction).

SECTION 5. HOURS OF WORK

Mid-Management, Supervisory and Professional, and Confidential and Technical employees covered by this document are expected to work or to be on an approved leave of absence for a combined total of no less than 2080 hours per year.

It is understood that the average workweek must be forty (40) hours with a significant majority of the time worked being done Monday through Friday. The City Manager or his/her designee has the option to set schedules and approve all leaves of absence.

A. Work Schedules

1. 5/40 Plan The work period for employees appropriate to this group assigned to a five-forty plan shall consist of five (5) eight (8) hour days within seven (7) consecutive twenty-four (24) hour periods inclusive of rest periods but exclusive of the lunch period which shall not be paid time.

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2. 9/80 Plan The work period for employees appropriate to this group assigned to a nine-eighty plan shall consist of eight (8) nine hour days and one (1) eight (8) hour day within fourteen (14) consecutive twenty-four (24) hour periods inclusive of rest periods but exclusive of the lunch period which shall not be paid time.

In accordance with the Fair Labor Standards Act as amended, this work period shall consist of two (2) distinct forty (40) hour work weeks for the purpose of establishing overtime eligibility.

3. 4/40 Plan The work week for employees appropriate to this group assigned to a four-ten plan shall consist of four (4) ten (10) hour days within seven (7) consecutive twenty-four (24) hour periods inclusive of rest periods but exclusive of the lunch period which shall not be paid time.

SECTION 6. ADMINISTRATIVE LEAVE

Effective July 1, 2006, administrative leave is hereby provided to exempt (non-FLSA) employees in lieu of compensatory time for hours worked. All employees of this group will be advanced fifty-four (54) hours of paid administrative leave as of January 1 of each calendar year. The earning of this administrative leave will be at the rate of four and one-half (4.5) hours per month. An employee terminating prior to a complete calendar year and having utilized leave not yet earned will be subject to a dollar value deduction from his or her final paycheck. Employees may use compensatory time already earned.

The scheduling and use of administrative leave for this group is subject to approval of the Department Director.

In partial recognition of prolonged, uncommon, or exceptional hours of work beyond the standard work expectations for exempt staff, the Department Director may, at his/her discretion, adjust employees work hours and allow exempt employees to take time off without using administrative leave.

SECTION 7. FLSA COVERED EMPLOYEES

Those Confidential and Technical position classifications covered by this document are subject to the Fair Labor Standards Act. Employees will be paid overtime at the rate of 1.5 (premium rate) for every hour they are directed to work over forty (40) hours in a work week, unless the employee requests and is allowed to accrue compensatory time in-lieu. Leave time such as vacation, sick, floating holidays, city holidays and compensatory time will not count as hours worked. In addition, City holidays will not count as hours worked.

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Compensatory time will be accrued at the same premium rate of 1.5 for every hour worked over the 40-hour work week (not including vacation, City holidays, sick or compensatory time). Employees may be allowed to accumulate compensatory time up to sixty (60) hours. Said accumulation shall be within the limit by each month's end and will be reported with regular payroll information. When this maximum level of accumulation is reached, overtime will thereon be paid at the premium rate. The employee may request compensatory time off subject to the approval of the department director or his or her designee.

SECTION 8. HOLIDAYS

A. Fixed Holidays

The following schedule of holidays shall be observed and the employees shall receive the following days off with pay:

- | | |
|---------------------------|------------------------------|
| 1. New Year's Day | 6. Labor Day |
| 2. Martin Luther King Day | 7. Veterans Day |
| 3. Presidents Day | 8. Thanksgiving |
| 4. Memorial Day | 9. Friday after Thanksgiving |
| 5. Independence Day | 10. Christmas Day |

B. Fixed Holidays Falling On A Weekend

1. When a holiday falls on a scheduled workday, the holiday will be observed on that day.
2. When a holiday falls on a Friday, when City Hall is regularly closed, or on a Saturday following a Friday closure, then a floating holiday will be granted the employee.
3. When a holiday falls on a Saturday, following a Friday that is a scheduled workday, the holiday will be observed on that Friday.
4. When a holiday falls on a Sunday, the holiday will be observed on the following Monday.

C. Floating Holidays Mid-Management, Supervisory and Professional, and Confidential and Professional employees shall receive 30 floating holiday hours. There will be no carryover of floating holidays. Use of floating holidays is subject to approval of the department director or his/her designee.

New employees: shall be pro-rated 2.5 hours per month effective the first of the month after the employee's hire date. As an example, an employee who starts on February 15 will be provided 25 floating holiday hours on March 1.

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For employees who do not work a Monday through Thursday schedule, when a fixed holiday falls on the employee's normal day off, the employee may elect to take off either the working day before or the working day after the holiday. Employee's choice of day off must be approved by the employee's supervisor at least two (2) weeks prior to the holiday. If time off is not granted, the employee may select another day off that is approved by his/her supervisor or cash out the floating holiday hours to a maximum of 20 hours per calendar year; cash out request must be made on or by December 31. Cash out of hours will be included in employee's normal pay roll immediately following the cash out request; no separate checks will be provided. This will be on a trial basis for the 2013-14 fiscal year; before April 1, 2014, the City and the Unaffiliated group will meet and confer to discuss the status of this new section.

- D. Holiday Closure The City reserves the right to close non-essential, non-safety facilities between the Christmas Eve and New Year's holidays. Employees may use vacation, floating holidays, compensatory time, or administrative leave during this furlough period.
1. For 2013, non-essential, non-safety city offices will be closed on Monday, December 23.
 2. For 2014, non-essential, non-safety city offices will be closed on Monday, December 22 and Tuesday, December 23.

SECTION 9. SICK LEAVE

- A. Earning and Accumulation Mid-management and confidential employees shall receive ten hours of paid sick leave per month subject to the following conditions:
1. Employees of record as of February 29, 1988 shall have unlimited accumulation. This section shall also apply to employees originally hired prior to February 29, 1988, and promoted from bargaining units with no sick leave accumulation cap.
 2. Employees hired or promoted from bargaining units with a sick leave accumulation cap as of or after March 1, 1988, shall be subject to an accumulation limit of 960 hours. Thereafter, all accrual shall cease until the employee's usage causes the balance to fall below 960 hours.
- B. Use of Sick Leave Sick Leave shall be deducted from an employee's accrued leave balance on an hour for hour basis for the following purposes:
1. In the case of the employee's injury, illness or disability.

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2. In the case of the employee's need to receive medical or dental examination, treatment or preventative care from a licensed health care practitioner.
 3. In the case where an employee needs to be absent to provide temporary assistance, due to illness or injury, or the need for medical or dental examination, treatment or preventative care from a licensed health care practitioner, for members of the employee's immediate family. Immediate family shall include an employee's spouse, domestic partner, children, grandchildren, sons-in-law, brothers-in-law, and sisters-in-law. "Children" shall include a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. "Parent" shall include a biological, foster, or adoptive parent, a stepparent, or a legal guardian requiring the care and attention of the employee.
 4. From accrued sick leave available, an employee may be granted (on each separate occasion) up to three (3) days bereavement leave with pay in the event of death to a member of the employee's immediate family. For purposes of this section an employee's immediate family shall include: an employee's spouse, domestic partner, children, grandchildren, sons-in-law, daughters-in-law, parents, grandparents, parents-in-law, brothers, sisters, brothers-in-law, and sisters-in-law. "Children" shall also include a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. "Parent" shall include a biological, foster, or adoptive parent, a stepparent, or a legal guardian and significant others. An additional two (2) days leave may be granted by the department head if the funeral location is five hundred (500) miles or more (one way) away from the City of Covina.
 5. A physician's certificate attesting to the nature of the illness, injury and/or treatment may be required prior to granting paid sick leave.
 6. An employee who is granted sick leave for personal illness/disability or family illness/disability shall be required to be available at his/her residence or that of an immediate family member for telephone or personal contact from the City during the employee's normal working hours. Exceptions to this requirement shall be authorized for seeking and receiving medical treatment.
- C. Payoff of Accumulated Sick Leave Upon Termination
Employees shall be compensated for 55% of his/her accumulated sick leave up to the maximums outlined below. Computation shall be at base rate of pay. Payment shall be for non-disciplinary termination only.

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1. Employees of record as of February 29, 1988, upon termination shall be compensated for up to 1600 hours of accumulated sick. Any unused balance of paid sick leave may be applied to the calculation of retirement credit as applicable.

This section shall also apply to those employees originally hired prior to March 1, 1988 and promoted from bargaining units with no sick leave accumulation limits.

2. Employees hired or promoted from bargaining units with a sick leave cap on or after March 1, 1988, upon termination shall be compensated for up to 960 hours of accumulated sick. Any unused balance of paid sick leave may be applied to the calculation of retirement credit as applicable.

D. Sick Leave Cap and Payout

Effective July 1, 2013, employees of this group hired after February 29, 1988 will be capped at 960 hours of sick leave; no accruals above 960 hours will be authorized. Any employee over the cap as of July 1, 2013 will be paid out at 100% to 840 hours. This one-time payout will be based on the employee's salary in effect as of June 1, 2013 and will be paid from the 2012-13 fiscal year.

E. Sick Leave Cash Out

Effective July 1, 2013, employees of this group may cash out at a rate of 50% base straight time up to 100 hours. A minimum of 160 hours of sick leave must remain after the cash out. Separate checks will not be provided.

SECTION 10. VACATION LEAVE

A. Vacation Earning Rate

Upon completion of the specified year of service employees shall accrue vacation as follows:

| <u>Years of Service</u> | <u>Monthly Accrual</u> | <u>Annual Total</u> |
|---|----------------------------------|---------------------|
| Up to completion of 5 years | Accrued at 9 hours per month | 108 hours |
| Beginning of the 6 th year through 10 years | Accrued at 13.67 hours per month | 164 hours |
| Beginning of the 11 th year through 15 years | Accrued at 16.00 hours per month | 192 hours |
| Beginning of the 16 th year through 20 years | Accrued at 17.33 hours per month | 208 hours |
| Beginning of the 21 st year | Accrued 18.67 hours per month | 224 hours |

Vacation usage shall be charged hour for regularly scheduled hour.

- B. Accumulation Limitation Accumulation of earned vacation shall be allowed up to an amount equal to twice (2x) the current annual earning allowance of vacation for that particular employee.

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C. Pay-Off Prior to Termination

With written consent of the City Manager, an employee may sell back to the City any of his or her accumulated vacation at the employee's straight time (1x) rate of base pay. The City Manager may approve payment of all, a portion of or none of said request depending upon available funds and anticipated workload of the individual employee as determined by the City.

D. Pay-Off Accumulated Vacation Upon Termination of Employment

For those employees who leave City service and have an accumulation of earned vacation leave credit within the accumulation maximum, they will be compensated in straight time base pay equal to the employee's then current pay level.

E. Vacation Cap and Payout

Effective July 1, 2013, employees of this group will be capped at twice their annual accumulation of vacation leave; no accruals above this accumulation limit will be authorized. Any employee over the cap as of July 1, 2013 will be paid out to 50 hours below their cap. This one-time payout will be based on the employee's salary in effect as of June 1, 2013 and will be paid from the 2012-13 fiscal year.

SECTION 11. INDUSTRIAL LEAVE/WORKERS' COMPENSATION

The City shall provide Workers' Compensation benefits in accordance with State Law and these provisions.

The City has the right to require the employee to go to a City selected physician or physicians initially or to verify that the disability restricts the employee from performing his or her regular job assignment. It is also understood that the employee receiving this benefit will not be employed elsewhere for paid compensation.

If an employee not subject to California Labor Code Section 4850 sustains a work-related injury or illness on-the-job and such injury or illness is recognized as qualifying for coverage by the self-insurance administrators, the employee shall be eligible to receive full base salary continuation for the initial period up to forty-five (45) calendar days or until the employee returns to work, whichever is earlier. In addition, the City will maintain its contribution to benefits as provided for herein (retirement, health, dental, life and LTD insurance). This provision shall apply only up through the first forty-five (45) calendar days of absence from work for each separate injury or illness, including aggravations thereof.

During this initial forty-five period, vacation, sick, and other leaves shall not be deducted from the absent employee's accruals. Vacation and sick leave shall also continue to accrue during this time. In order for the employee to receive the above pay and benefit

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continuation, he or she must remit all Workers' Compensation temporary disability checks to the City of Covina.

At the end of the aforementioned forty-five-day period, and provided that it is available, sick leave shall be used to augment Workers' Compensation so that the employee may receive up to full base salary during the disability. Sick leave shall be charged at a rate proportionate to the percentage of said employee's salary not covered by Workers' Compensation. As long as an employee is utilizing sick leave to insure full base salary, his or her City paid benefit contributions (as provided for herein) shall be continued. At no time shall an employee receive merit salary increases nor accrue additional vacation, sick leave, floating holidays or any other leaves after the initial forty-five (45) calendar day period until he or she returns to regular duty.

Upon depletion of accumulated sick leave, the City shall discontinue all non-health City paid benefits and supplement to Workers' Compensation payments. At this time, the employee is subject to Long Term Disability insurance benefits (claims shall be submitted to the carrier in accordance with said policy).

With regard to the payment of health insurance benefits after depletion of sick leave, the City and employee will continue to contribute the amounts enumerated by this resolution towards the available plans. Said contribution shall continue until the earlier of: 1) the date that the employee returns to regular work; 2) the date that the employee is declared permanent and stationary; 3) the date that employee retires; or 4) 365 calendar days from the date of original injury (intermittent periods of disability from work relating to aggravations of the same injury or illness shall be cumulative for the purposes of calculating this 365 day period).

Subject employees may maintain dental insurance at their own cost in accordance with Federal or State Law (COBRA continuation coverage). The subject employee is responsible for coordinating said coverage with the Human Resources Department.

SECTION 12. MATERNITY LEAVE AND FAMILY CARE AND MEDICAL LEAVE

Employees shall be granted unpaid maternity, family care and medical leave in accordance with federal and state law and City policy.

SECTION 13. LEAVE OF ABSENCE WITHOUT PAY

Employees covered by this resolution may apply in writing to the City Manager for a leave of absence without pay. If the City Manager determines there is adequate justification to grant such a leave of absence and that the work of the department will not

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be significantly impacted by a temporary absence of the employee, the leave without pay may be authorized. The City Manager's decision is final. The City Manager may also terminate or cancel early any authorized leave by giving the employee notice of 10 calendar days. Notice will be given via certified mail sent to the employee's last known address and commencing from the postmarked date.

During the period of authorized leave of absence without pay, the employee will not be entitled to any City paid fringe benefits nor will they accrue leave.

SECTION 14. JURY DUTY AND JOB RELATED REQUIRED COURT APPEARANCE

- A. Routine Jury Service Every employee who is called or required to serve as a juror shall be entitled to absent him/herself from his/her duties during the period of such service while necessarily being present in court as a result of such a call. Employees shall be granted leave with pay for fifteen days of jury duty service annually. Leave without pay will be granted to any employee who is required to serve over 15 days on jury duty. The employee may also seek approval of use of his or her earned vacation, administrative leave, or floating holiday time to cover the required time off.

- B. Non-Job Related Court Appearances In the case where an action does not pertain to a job-related matter, leave without pay shall be granted for an appearance before a court, legislative committee, judicial or quasi-judicial body as a witness in response to a subpoena or other order by proper authority compelling his or her attendance under penalty described by law. The employee may also seek approval of use of his or her earned vacation, administrative leave, or floating holiday time to cover the required time off.

- C. Job Related Court Appearance In the case where an action is job-related, upon review and approval of the appropriate authority the time required will not be subject to any need for leave, and the employee will be considered on-duty.

SECTION 15. EMPLOYEE BENEFITS

- A. Medical, Dental, Vision and Life Insurance
 - 1. The City shall contribute the required minimum contribution, per employee, under PEHMCA, for so long as the City is enrolled in the PERS Health Plan. Every full-time active employee must be covered by a health care plan approved by the City.

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2. Effective December 1, 2013, the City shall contribute \$960.00 per month per eligible employee for the use of medical, dental, vision or life insurance. For medical, dental and/or vision insurance, the employee must provide coverage for him/herself if insurance coverage is required for a dependent. Any monies remaining after the purchase of said health or life insurance up to \$750 can be put towards deferred compensation or received in cash that will be considered as taxable income.

Any employee hired on or after January 1, 2012 through June 30, 2013 who opts out of the City's health insurance plan will be provided a cash-out amount of \$400.00 per month to be taken as taxable income or deposited into the employee's deferred compensation account. For employees hired on or after July 1, 2013, any monies remaining after the purchase of said health or life insurance up to \$300 can be put towards deferred compensation or received in cash that will be considered taxable income.

3. *Life Insurance* Effective January 1, 2011, the City shall provide a \$100,000 Term Life Insurance policy for all mid-management and confidential personnel.

B. Long Term Disability Insurance Employees covered by this resolution are provided with a long term disability insurance program consisting of two-thirds compensation of base pay up to \$9,000 per month, after a thirty (30) day waiting period or whenever the employee's accumulated sick leave has expired, whichever comes last. The City pays all the cost.

C. Public Officials Errors and Omissions Insurance Employees covered by these compensation rules shall be covered by a Public Officials Errors and Omissions insurance policy. The City will pay for the premium for the policy.

D. Retirement

Miscellaneous Employees

Effective March 16, 2010, the present contract with Public Employees' Retirement System for "classic" employees, 2.5% per year at age 55 (§21354) with the following additions:

One-half pay continuance (§21628)

1959 Survivors Benefit (§21573)

- Employee Contributes \$2.00 per month
- Level IV Survivor Benefits

One year final compensation (§20042)

Employees covered by these Rules shall receive the opportunity to buy military service credit for retirement purposes (§21024)

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Unused sick leave credit (§20965).

Retired Employee Death Benefit of \$600. (§21622)

On September 12, 2012, Governor Brown signed into law the Public Employees' Pension Reform Act of 2012 ("PEPRA"). Among other provisions, PEPRA adopts a compulsory formula and mandatory contributions for certain employees that are defined as new members. As applied to the City, the term "New Member" refers to the following employees:

- (1) An employee who becomes a member of CalPERS for the first time on or after January 1, 2013, and who either (a) was not a member of any other public retirement system prior to that date; or (b) was a member of a public retirement system other than CalPERS prior to that date, but is not eligible for reciprocity; or
- (2) An employee who was previously an active member in CalPERS through any employer other than the City and who, after a break in service of more than six months, returns to active membership in CalPERS with the City.

As a result of PEPRA, the City must have two separate tiers of retirement benefits the application of which depends on an employee's status as a new member. CalPERS-eligible employees that were hired before January 1, 2013 and CalPERS-eligible employees hired on or after January 1, 2013 that are not new members, as defined above, are referred to as "classic members."

(A) Classic Members—Refer to Paragraph D above.

(B) New Members—The retirement benefit formula for new members is 2% per year at age 62. Final compensation for the purposes of calculating a new member's retirement allowance is equal to the new member's highest average PERS compensation for 36 consecutive months of employment. As of January 1, 2013, the PERSable compensation of new members will be capped at \$133,440 as the City does not pay into Social Security. This amount will be adjusted periodically by CalPERS. In addition, PERSable compensation will be determined in accordance with the definition of "pensionable compensation" set forth in Government Code Section 7522.34 as interpreted by CalPERS.

New members are required to pay a portion of the cost for the 2% per year at age 62 retirement formula. This

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mandatory member contribution is not a fixed amount. Rather it is determined in accordance with the formula established by PEPPRA. The mandatory contribution will be equal to the greater of 50% of the total normal costs attributable to the 2% per year at age 62 benefit plan, as determined by CalPERS, or the current contribution rate of similarly situated employees. The mandatory contribution for new members for the 2013-14 fiscal year is 6.75%. This rate will be subject to adjustment.

- E. Supplemental Retiree Benefits Effective December 31, 1996, the City shall contribute \$472.00 per month per *eligible retiree* toward optional benefit plan until the beginning of the month the retiree reaches Medicare eligibility age. Each *eligible retiree* may receive this amount in cash or may elect to use it for coverage for him/herself for city-approved benefit options. Upon reaching Medicare eligibility age, an eligible retiree shall receive \$34.00 per month toward optional benefits. Any monies received in cash will be considered as taxable income.

Any employee hired after July 1, 2013 with ten (10) years of uninterrupted service will receive the amount the city is required to provide under PEMCHA.

Eligible retiree means any person who meets the retirement eligibility standards of the Public Employee's Retirement System and either was a current full time employee on December 31, 1996, or is a person who has ten (10) years of uninterrupted service as a full time employee with the City of Covina subsequent to December 31, 1996. An employee retiring due to job-related disabilities shall be entitled to supplemental retiree benefits.

- F. Auto Mileage Reimbursement An employee who occasionally uses his/her private vehicle to perform official City business will be compensated at the current IRS rate per mile.

Employees desiring to use their personal vehicles on authorized City business must provide the City's risk management office with evidence of personal automobile insurance coverage in such minimum limits as required by the State of California. Such evidence could include a letter from an employee's insurance agent or company, or copy of such insurance policy face sheets identifying names, coverage dates, limits and vehicle's coverage.

- G. Education Incentive Employees who have earned a job-related advanced degree (MA, MS, MPA) from an accredited college or university as determined by Human Resources (online degrees may not qualify) and as specified in the job description may receive an additional 2% of base salary with the approval of the City Manager and a current satisfactory evaluation on file. Approval of the City

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Manager should be secured in advance of starting a program to ensure eligibility upon completion of degree program.

Employees who are not required to have a degree as a condition of employment and who have earned a job-related undergraduate degree (AA, AS, BA, BS) from an accredited college or university as determined by Human Resources (online degrees may not qualify) and as specified in the job description may receive an additional one percent (1%) of base salary with the approval of the City Manager and a current satisfactory evaluation on file. Approval of the City Manager should be secured in advance of starting a program to ensure eligibility upon completion of degree program.

SECTION 16. OTHER RELATED PROVISIONS

A. Layoff of Personnel

1. *Lay-off procedure* Lay-off within a classification of regular permanent status employee shall be accomplished on a last appointed, first laid-off order basis. Temporary, provisional, part-time and limited term employees have no lay-off protection. Only employees on promotional probation and who have attained permanent regular status are provided with lay-off procedural rights.
2. *Seniority* Seniority for the purpose of lay-off and the establishment of reemployment lists shall be defined as total cumulative time served in regular permanent status within the classification and are in active status upon the effective date of the lay-off. Seniority shall be lost in event of resignation, discharge, retirement, or lay-off for a period of more than two (2) years.
3. *Lay-off of a regular permanent employee who has not completed a promotional probationary period* Such employee in the affected classification shall be returned to the position such person held prior to promotion in a regular permanent status. As between two or more probationary employees, the employee promoted last shall be returned to the position previously held.
4. *A regular permanent employee who has completed the probationary period in the affected classification* All such employees shall be listed in the order of their seniority. The most junior employee shall be given the opportunity to transfer to any comparable vacant position for which the employee is qualified. If such a vacancy does not exist, such employee shall be given the opportunity to exercise his seniority to be placed in the most junior position in any lower classification for which he is qualified

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and has seniority, or to accept the lay-off. Employees at the lower level who have less seniority will then be transferred or demoted in the same manner until the lowest levels of classification and the most junior employees with the least amount of seniority are reached. At such time, such employees shall be laid off.

In the event that the position to be eliminated is not held by the most junior person in that classification, the employee that holds such affected position shall be given the opportunity to replace the most junior employee or to exercise his transfer or seniority rights as set forth above.

5. *Reinstatement to former classification* All regular permanent status employees demoted or transferred in lieu of lay-off shall be reinstated to their former classification once vacancies occur, or if the positions are restored with priority for reinstatement given to demoted employees.
6. *Reemployment list* All laid-off regular permanent status employees shall be placed in order of seniority on a reemployment list for two (2) years, and shall retain existing seniority rights for such period.
 - a. When a vacancy occurs for which a reemployment list exists, the City Manager shall certify from the top of such list the number of names equal to the number of vacancies to be filled, and the department head shall appoint such persons to fill the vacancies.
 - b. Anyone on a reemployment list may be reemployed in a position with lower maximum rate of pay, provided the person possesses the skills and qualifications for the position as identified by the position classification specification.
 - c. Notice of vacancy to an employee on a reemployment list shall be by the most expeditious means in order to fill the vacancy as soon as possible. As a last resort, notice shall be given by Certified Mail to the employee's last known address, and if the employee does not respond within three (3) days from the date of receipt, or if the notice is undeliverable due to address unknown, the employee's name shall be passed over and the next employee on the list shall be notified of the vacancy. After an employee has been passed over twice in such manner, the employee's name shall be removed from the reemployment list after notification of the Recognized Employee Organization. An eligible employee shall have ten (10) working days from receipt of notice to report to work.

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- B. Outside Employment Outside employment shall be permitted only with the express prior written approval of the City Manager. An employee with existing outside employment on the effective date of this agreement shall notify the City thereof within thirty (30) days thereafter.

To deny outside employment the City must find that it violates one of the following criterion: 1) that such employment is in conflict with the interest of City employment; 2) that such employment detracts from the efficiency of the employee in his City work; 3) that such employment is a discredit to City employment; 4) that such employment takes preference over the requirements of the City. No outside employment activities shall occur during regular City hours of operation applicable to the affected employee unless the employee is on authorized vacation or holiday leave.

- C. Exclusions

Employees in the positions listed herein, are part of the competitive service of the City and will be subject to the provisions of the Personnel System in the Covina Municipal Code and the City of Covina Personnel Rules and Regulations.

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Employees Compensation Rules**

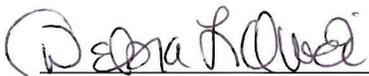
SECTION 17. SIGNATURES AND EXECUTION

It is the mutual understanding of all parties hereto that these employee Compensation Rules are of no force or effect whatsoever unless or until the same is determined by the Covina City Council by appropriate City Council action.

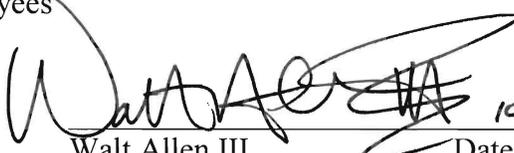
The parties hereto have caused these employee Compensation Rules to be executed this 3rd day of September, 2013.

Mid-Management, Supervisory
and Professional And Technical Employees

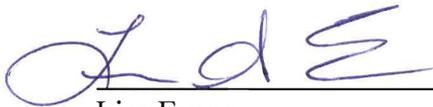
City of Covina


Debbie Quick

10/14/13
Date


Walt Allen III
Mayor

10/9/13
Date


Lisa Evans

10/14/13
Date


Anthony Arroyo
Director of Human Resources

10/9/13
Date